

**IN THE CLAIMS:**

Kindly replace the claims with the following:

1. (Currently amended) A method of compressing a video signal, the method comprising:  
    predictively encoding (10,11) frames (X) of said video signal with  
reference to a prediction frame ( $X_p$ ),  
    calculating (20) a quantization parameter (q) for each encoded frame,  
    quantizing (12) the encoded frames in accordance with said quantization  
parameter,  
    characterized in that said step of calculating the quantization parameter  
includes calculating a first quantization parameter (q) representing a first quality or bit  
rate for quantizing selected first frames (P) of said predictively encoded frames, and a  
second quantization parameter (F.q) representing a second quality or bit rate that is lower  
than said first quality or bit rate for quantizing selected second frames (P') of the video  
signal, said second quantization parameter degrading the second quality compared to the  
first quality, the method further including:  
    decompressing (15-18) the compressed second frames to constitute the  
prediction frame ( $X_p$ ) for predictively encoding the first frames.
2. (Original) A method as claimed in claim 1, wherein the step of calculating the second  
quantization parameter includes calculating said first quantization parameter (q) and  
multiplying (23) said first quantization parameter by a given factor (F).
3. (Original) A method as claimed in claim 1, wherein said predictively encoded frames  
constitute a series of successive frames, the second selected frames being every other  
frame of said series.

4. (Currently amended) An arrangement for compressing a video signal, the arrangement comprising:

encoding means (10,11) for predictively encoding frames (X) of said video signal with reference to a prediction frame ( $X_p$ ),

calculation means (20) for calculating a quantization parameter (q) for each encoded frame,

a quantizer (12) for quantizing the encoded frames in accordance with said quantization parameter,

characterized in that said calculation means (20) are arranged to calculate a first quantization parameter representing a first quality or bit rate for quantizing selected first frames (P) of said predictively encoded frames, and a second quantization parameter (F.q) representing a second quality or bit rate that is lower than said first quality or bit rate for quantizing selected second frames (P') of the video signal, said second quantization parameter degrading the second quality compared to the first quality, the arrangement further including:

means (15-18) for decompressing the compressed second frames to constitute said prediction frame ( $X_p$ ) for predictively encoding first selected frames.

5. (Original) An arrangement as claimed in claim 4, wherein said calculation means (20) comprise a multiplier (23) for multiplying the first quantization parameter (q) by a given factor (F).

6. (Original) An arrangement as claimed in claim 4, wherein said predictively encoded frames constitute a series of successive frames, the second selected frames being every other frame of said series.

7. (Cancelled)

8. (Cancelled)

9. (Currently amended) A method of transmitting or recording a video signal, the method comprising:

generating the compressed video signal comprising:

a prediction frame ( $X_p$ ),

predictively encoded (10,11) frames (X) that have been  
predictively encoded with reference to the prediction frame ( $X_p$ ),

respective quantization parameters (q) for respective encoded frames, the encoded frames having been quantized (12) in accordance with said respective quantization parameters, the quantization parameters including first quantization parameters (q) representing a first quality or bit rate for quantizing selected first frames (P) of said predictively encoded frames, and second quantization parameters (F.q) representing a second quality or bit rate that is lower than said first quality or bit rate for quantizing selected second frames (P') of the video signal, said second quantization parameters degrading the second quality compared to the first quality; and  
transmitting or storing the compressed video signal.

10. (Currently amended) An arrangement for transmitting or recording a video signal, the arrangement comprising:

means (100) for generating the compressed video signal comprising:

a prediction frame ( $X_p$ );

predictively encoded (10,11) frames (X) that have been predictively  
encoded with reference to the prediction frame ( $X_p$ ), and

respective quantization parameters (q) for respective encoded frames, the encoded frames having been quantized (12) in accordance with said respective quantization parameters, the quantization parameters including first quantization parameters (q) representing a first quality or bit rate for quantizing selected first frames (P) of said predictively encoded frames, and second quantization parameters (F.q) representing a second quality or bit rate that is lower than said

first quality or bit rate for quantizing selected second frames (P') of the video signal said second quantization parameters degrading the second quality compared to the first quality; and  
means (108, 120) for transmitting or recording the compressed video signal.